

**TESTIMONY OF DOUG LUCIANI, CEO OF TraverseCONNECT
TO MICHIGAN SENATE ENERGY & TECHNOLOGY COMMITTEE – October 8, 2015**

Good afternoon Chairman Nofs and members of the Senate Energy and Technology Committee. Thank you for allowing me to appear before you today to support the choice provisions of Senate Bill 437 and the direction it takes a "Michigan First" energy policy generally.

I am Doug Luciani, CEO of TraverseCONNECT, the parent organization of three subsidiaries including the Traverse City Area Chamber of Commerce, Venture North Funding & Development, our economic development organization, and a for-profit division called TCONN.

I have some familiarity with energy issues, having led extensive energy research and policy initiatives in 2008 and in 2011 for the Northern Michigan Chamber Alliance. I am a member of the national Board of Advisors for Chambers for Innovation & Clean Energy, based in San Francisco. And I am an active member of the Michigan Energy Innovation Business Council based in Lansing.

Before I get to the choice provisions of Senate Bill 437, let me tell you some things you may not be aware of regarding the way business is comprised in Michigan and in my home county, Grand Traverse County. These are Dunn & Bradstreet figures as of 2013.

In Michigan:

- Out of 670,000 business establishments, 98.9% employ fewer than 500 employees, and 87% employ fewer than 10.

In Grand Traverse County:

- Out of 10,000 business establishments, 99% employ fewer than 100 employees, and 88 percent employ fewer than 10.

I mention these statistics to drive home the point that energy policy that provides for affordable and reliable energy for the small – but mighty – business owners in our state should not be underestimated in its overall impact on the state's economy. These are real businesses owned and operated by Michiganders that are the state's economic bedrock.

When one talks about potentially expanding the state's ROA, the vast majority of the businesses and workers I just cited will be left behind, simply not big enough to matter to the businesses that would like to come into Michigan and syphon off its biggest and best accounts. And who will be left to pay for the maintenance of the state's energy system and energy grid? The smallest of businesses and, likely, the most rural as well. The unintended consequence would be that the majority of Michigan's workers would be forced to make up the difference to maintain the grid. We want legislation that is fair to all of us in Michigan, not just a select few.



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Our region's economy, like Michigan's, is beginning to show signs of strength. It will require reliable and affordable energy if it is to fully participate in an economic rebound. When surveyed, our industrial users said that reliability was their primary concern regarding energy, with affordability a close second.

Without the assurances built into SB 437, especially those that keep companies from jumping in and out of Michigan's grid and that force alternate suppliers to guarantee their ability to provide the energy necessary to meet their customer demands, Michigan's small businesses and its residential consumers are put at significant – arguably unacceptable – risk. The uncertainty of energy when we need it and prices likely to spike without lead-time will stifle growth in the near- and long-terms.

In closing, the system we've had, while not perfect, has worked well for most of Michigan's businesses and energy users. Please address it with a mindset to fine tune rather than overhaul it. My organization, on behalf of the 10,000 businesses in our region, urges you to stay on a path for choice that keeps Michigan first in the state's energy policy.

Thank you.

cc: Senator Wayne Schmidt
Senator Darwin Booher
Senator Jim Stamas